

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6792

BILL NUMBER: HB 1160

NOTE PREPARED: Dec 20, 2002

BILL AMENDED:

SUBJECT: Teacher certification fees and incentives.

FIRST AUTHOR: Rep. Porter

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

| STATE IMPACT | FY 2003 | FY 2004 | FY 2005 |
|-------------------------|---------|-------------|--------------|
| State Revenues | | | |
| State Expenditures | | 9,387,500 | 14,787,500 |
| Net Increase (Decrease) | | (9,387,500) | (14,787,500) |

| LOCAL IMPACT | CY 2003 | CY 2004 | CY 2005 |
|-------------------------|---------|---------|------------|
| Local Revenues | | 375,000 | 20,375,000 |
| Local Expenditures | | | |
| Net Increase (Decrease) | | 375,000 | 20,375,000 |

Summary of Legislation: This bill provides that the Department of Education shall each year pay the certification fees for up to 2,000 teachers who participate in the certification process offered by the National Board for Professional Teaching Standards. It provides a national board certification incentive grant to school corporations of \$5,000 for each teacher employed by a school corporation who holds a valid certification from the National Board for Professional Teaching Standards and who is a classroom teacher.

Effective Date: July 1, 2003.

Explanation of State Expenditures: This bill requires the Department of Education to pay the \$2,300 certification fee for up to 2,000 teachers during a calendar year and an incentive grant to teachers of \$5,000.

| State Fiscal Impact | FY 2003 | FY 2004 |
|---------------------|-------------|--------------|
| Certification Fees | \$9,200,000 | \$4,600,000 |
| Incentive Grants | \$187,500 | \$10,187,500 |
| Total | \$9,387,500 | \$14,787,500 |

Methodology: The maximum annual cost for certification fees is \$4.6 M (\$2,300 X 2,000 teachers). The FY 2004 impact is twice the annual impact of \$4.6 M, or \$9.2 M, assuming that 2,000 teachers would apply in the last six months of CY 2003 and an additional 2,000 teachers during the first six months of CY 2004. The bill appropriates the amount necessary to pay the certificates from the State General Fund.

The bill also provides that a local school corporation may receive an incentive grant in the Tuition Support Formula equal to \$5,000 times the number of teachers that hold valid certifications from the National Board for Professional Teaching Standards. Currently, the Board reports that 75 teachers in Indiana have the certification. The fiscal impact of the \$5,000 incentive grant is \$375,000 for CY 2004, assuming no other teachers are certified. The impact of adding 2,000 teachers per year is an annual increase of \$10 M. Assuming that 4,000 additional teachers are certified during the CY 2003 - CY 2004 school year as allowed by the funding for certification fees noted above, the CY 2005 grant amount would be \$20,375,000. The maximum impact for CY 2006 is \$30,375,000. The state impact for the incentive grant is \$187,500 for FY 2004 (½ of the CY 2004 amount), and \$10,187,500 for FY 2005 (½ of the CY 2004 amount and ½ of the CY 2005 amount).

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Local schools would receive a tuition support grant equal to \$5,000 times the number of teachers that hold valid certifications from the National Board for Professional Teaching Standards. Currently, the Board reports that 75 teachers in Indiana have the certification so the impact for CY 2002 is \$375,000 (\$5,000 times 75 teachers). The addition of 4,000 teachers for CY 2003 would increase the grant to \$20,375,000 for CY 2003.

State Agencies Affected: Department of Education.

Local Agencies Affected: Local Schools.

Information Sources: The National Board of Professional Teaching Standards (www.nbpts.org).

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